

EXHIBIT 1



Ms. Brenda J. Brouillet
District Supervisor, Environmental Response Division
Michigan Department of Environmental Quality
Saginaw Bay District Office, Suite 1
503 North Euclid Avenue
Bay City, Michigan 48706-2965

RECEIVED
OCT-30 2000
MDEQ-ERD
SAGINAW-BAY

Re: Delphi Automotive Systems, Saginaw Plant 2
Site Investigation: MDEQ Sept. 22, 2000 letter

Dear Ms. Brouillet,

Delphi Automotive (Delphi) acknowledges receipt of your letter of September 22nd to Delphi and to Mr. Edward Peterson and Ms. Cheryl Hiatt of General Motors (GM). GM will be responding separately, I believe, with a similar position. Delphi appreciates the opportunity to work with GM and Michigan Department of Environmental Quality (MDEQ) to resolve your concerns about the Delphi, Saginaw Plant 2 site (Plant 2). As you know, site personnel and their consultants have been studying site conditions and several remedial efforts are in place.

At the beginning of 1999 Delphi was incorporated as a wholly owned subsidiary of GM. On May 28, 1999 GM completely "spun-off" Delphi such that GM had no ownership ties with Delphi. As part of the incorporation and ultimate divestment Delphi and GM contractually agreed that in exchange for the fixed assets, such as the plant sites, Delphi would accept certain liabilities, including environmental ones, relating to those assets that were transferred. In short, Delphi has agreed to resolve environmental issues connected with its plants. This is also consistent with Delphi's Environmental Principles.

Delphi and GM have reviewed your letter and have commonly agreed that we should coordinate and communicate so that the issues you raise can be effectively and efficiently handled. Our guiding principle is that Delphi will work on matters solely contained on its property, such as Tanks 1 through 10, Tanks 13 & 14, and the SE Building Corner. GM will work on matters solely on its property, such as the Peninsula area. We will work together on issues that overlap, such as the Diversion chamber and LNAPL areas.

You inquired about the future of the Plant 2. We have publicly announced that Plant 2 will permanently close on or about July 1st, 2001. The ultimate future of the site has not been determined. However, we anticipate that the site will continue to be zoned and used for industrial purposes. Therefore, the site will continue to be fenced and guarded. As you know, there are several pump and treat operations on going. Delphi currently pumps from four recovery wells from within the buildings tank areas and hand bails two wells outside the SE Building Corner.

Delphi's Dave Seamans will be retiring on November 1, 2000. He has been following the remediation efforts at Plant #2 for a number of years. He will be retained after his retirement for a period of time to transfer his knowledge of the issues to Delphi's Mr. Dale Thrush, a Sr. Environmental Engineer. Mr. Thrush can be reached on 517-757-4506.

Delphi has retained Harding Lawson Associates (HLA) to continue investigation of the site and provide recommendations for final remediation. On October 30, 2000, Delphi will be submitting responses to many, but not all, of your questions mentioned in the DEQ internal office communications dated February 18, 2000 and September 21, 2000 from Ms. Rhonda Klann. In addition, Delphi will be discussing technical responses and work plan issues over the next few weeks. Delphi will then be submitting further technical responses and a draft work plan one month prior to an agreed upon meeting date in January 2001.

Given Delphi and GM's close relationship and proven track record in Michigan and throughout the United States, and willingness to cooperate, we do not see the need for a formal administrative order or legal proceeding. Both when GM owned the site, and continuing on with Delphi's tenure, steady progress has been made in studying and remediation of historic contamination. Sources have been identified and contained (items 1 & 2, p.2 of your letter). There is no threat of fire, explosion (item 3) or of direct contact hazards (item 4). The pump and treat system is removing both liquid and dissolved hazardous substances (item 5). We have determined to a large extent the nature and extent of the releases at Plant 2 (item 6). And we are currently voluntarily implementing pump and treat response activities consistent with Part 201 (item 7).

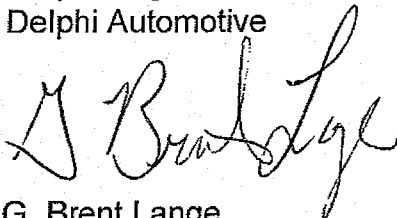
Delphi will work with MDEQ to update and fine tune its plan for interim response activities (item I, p.3); provide a summary of past evaluations and update them as necessary (item II); work with MDEQ to find a mutually agreeable, "technically sound and necessary" and environmentally protective response activity (item III); submit to MDEQ a Remedial Action Plan consistent with Part 201 (item IV); and implement the mutually agreed RAP in the reasonable time schedule agreed to (item V). Much of the work has already been done. We understand more study, review, and final remedial efforts need to be performed.

Delphi along with GM would like to propose that a meeting with the DEQ occur on either January 29, 30, or 31, 2001 to review and discuss both Delphi and GM technical responses and work plans. Would you please check on the DEQ's availability for those mentioned dates and let me know which one works for you. Plus, please respond back to me on the names of those from the DEQ that will be attending that meeting. Delphi would be happy to discuss these matters with you prior to these dates in order to have a more productive meeting.

Delphi looks forward to resolving any outstanding issues so that this site can be returned to productive use after it closes.

If you have any question please contact me at 517-757-0161

Sincerely,
Delphi Saginaw Steering Systems
Delphi Automotive



G. Brent Lange
Environmental Manager

Cc Dale Thrush-Delphi
Dave Seamans-Delphi
James Walle, Esq.-Delphi
Cheryl Hiatt-GM
Edward Peterson-GM
Anthony Thrubis, Esq.-GM
Craig Kielty-HLA
Lisa Coffey-BBL
Rhonda Klann-DEQ



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03/10/2000

Department of Environmental Quality
Environmental Response Division
Saginaw Bay District Office
Suite 1
503 North Euclid Avenue
Bay City, MI 48706
Attn: Brenda J. Brouillet

Re: Delphi Automotive Systems Corporation, Plant 2 Saginaw, Michigan

Dear Ms. Brouillet

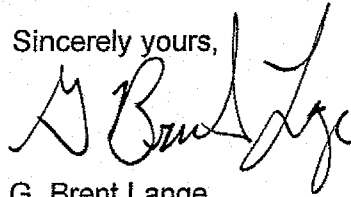
This letter is a response to your letter dated February 18, 2000. As indicated in the August 13, 1999 cover letter from Ms. Cheryl Hiatt, Project Coordinator General Motors Corp., Delphi Automotive Systems LLC (Delphi) now has responsibility for all environmental issues at Delphi facilities due to transfer of assets from General Motors (GM) to Delphi. As also indicated in the August 13, 1999 Hiatt letter, the peninsular property has been transferred to Remediation and Liability Management Company (REALM), a subsidiary of GM. Delphi will continue to work with GM, REALM, and the Environmental Response Division (ERD) to coordinate and address appropriate cleanup activities for the site. Delphi is finalizing the reports for Tanks 1-10, and Tanks 13 and 14 for delivery in the next two weeks. This will enable the ERD to complete review of the Delphi Steering Gear Plant 2; Remedial Investigation Report (Report) dated August 1999.

We understand that GM is submitting a letter indicating the delivery of the report for the peninsular property, owned by REALM, and their intent to proceed with remedial investigations and a remedial action plan. Like GM (the August 13, 1999 Hiatt Letter), Delphi is willing to meet with ERD, GM, and Realm to discuss the long term plans and outstanding issues for the facilities.

Delphi will continue to use BBL and HLA to address ERD's February 18 Letter and Review Comments. David Seamans, Delphi Sr. Environmental Project Engineer, will coordinate scheduling a meeting of ERD, Delphi, GM, and REALM. Responses to the Review Comments will be submitted two weeks prior to the meeting. This meeting will enable development of additional investigation, a final monitoring plan, and a long-term schedule for submittal of a RAP.

Finally, Delphi is reviewing the housekeeping issues of the day-to-day handling of wastes in the southeastern portion of the plant site. Plans for improvement of the containment and investigation of impact will be developed within the next two months.

Sincerely yours,



G. Brent Lange

Michigan Region Environmental Manager

cc:	James Walle	Delphi Legal
	David Seamans	Delphi
	Tony Thrubis	GM Legal
	Edward Peterson	GM
	Cheryl Hiatt	GM
	Craig Kielty	HLA
	Lisa Coffee	BBL